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Holgate, Arthur

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British Agriculture and Free Trade

A verbatim report of a speech made on May 28th, 1930, at a Conference in the Caxton Hall, London, by

MR. ARTHUR HOLGATE

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Box 292

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Mr. Arthur Holgate is a practical farmer—one of the largest farmers in the north of England. He is a pioneer in the large scale production of Grade "A" milk and in the scientific feeding of cattle. He has carried out field experiments for the Royal Agricultural Society, and he is a member of the Permanent Advisory Committee of the Ministry of Agriculture on Fertilizers and Feeding Stuffs.

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British Agriculture and Free Trade

MR. HOLGATE said:

I come here merely as a farmer, born on a farm, bred on a farm, and as one whose entire resources in one form or another depend on the success of agriculture. I do not mean to say farming is the only thing I do, for I happen also to be in a business which, if farming fails, must ultimately itself fail because my customers are farmers. So I have that right, at any rate, to try and put the case as it appears to me.

One has another comfort in getting up to speak on this subject, and it is this. Of all the subjects ever talked about from any platform, political or otherwise, there is no subject upon which the public is so abysmally ignorant as agriculture. Agriculture is far and away the biggest and most important industry that this country of ours has ever possessed. If you take the capital employed (including the value of the land), amounting to about £1,500,000,000, there is no industry that can come anywhere near it. The income from agricultural produce, the growers' prices, about £300,000,000 a year, the rent of the land anywhere from £125,000,000 to £150,000,000 a year—all these figures prove that the subject is one of vital importance. The Safeguarders give their case away by their attitude to agriculture. They say

that we will safeguard almost anything you like, but not the farmer. Why not? Why exclude this vast and important industry? The answer is one which Free Traders know is the correct one; it is that safeguarding of agriculture will put up the price of food to the workers; that is the correct answer, and that is why the safeguarding of agriculture is never proposed, except by "full-blooded" Protectionists.

THOSE WHO BUY THE FOOD PAY THE TAX

Now, there are two ways of looking at this problem. From the standpoint of the consumer there can be only one answer—that is, that he or she (generally she) will pay more for all the protected things which the farmer has to sell; but if I had time, and if this were the place, I think I could succeed in showing that the first person to suffer from the safeguarding of agriculture in this country would be the farmer himself. I have tremendous sympathy with the standpoint of a former speaker, who comes from an arable area. The problem of arable farming is probably the gravest problem before this country; and I frankly admit that if I were an arable farmer studying my own interests alone I should say, "There is nothing for it but Protection." No one disputes that Protection might help, in some cases, the protected person, but the argument that applies to any form of Protection can be used against Protection of arable farmers, and it is this: the person who buys the food—the bread—will pay the tax.

But farming in this country does not consist by any means entirely of arable land farming. If you study the figures for capital employed in the various forms of farming you will be probably

surprised to find what other forms of farming there are and how important they are. I come from a county which you always associate with cotton—Lancashire. I dare say I need not have told you that, as you would know that as soon as you heard me. But even in Lancashire, the cotton county, possibly the biggest amount of capital is employed in farming, including poultry, of which Lancashire owns nearly half the British total. There arable farming is almost negligible; the main farming in Lancashire is by means of grass and hay, the breeding and rearing of cattle, beef, and, of course, primarily dairy produce.

A WORLD SURPLUS OF CORN

Take the case of arable for a beginning. Can our Protectionist friends tell us what sort of protection they can apply to arable farming which would be adequate for a situation such as that with which we are met to-day? The world produces so much corn, so much wheat, so much of everything, that they do not know what to do with it. In Canada they are faced with the problem of selling the wheat cheap, or building more granaries in which to store it. The position changes from year to year; sometimes there is too much and sometimes there is not enough. Are you going to vary your protection from year to year and from time to time? If you do, I can answer that the fluctuations which take place in the market from day to day have greater influences on the price of wheat and corn than any form of Protection that the people would stand.

May I refer briefly in passing to the imports of German wheat in relation to which the Protectionists have been so vociferous. I will only say this, that the percentage amount (1.5) is so small as compared with our total consumption that it could have no real effect on the market.

The fluctuations in visible supplies from other sources from week to week have a far greater influence on prices. More important still, we cannot have so-called "dumping" of food from a country which cannot feed itself. Germany is compelled to replace all she sends us and more, and she is a frequent buyer of our re-exports of foods, especially for cattle. Our grain and feed markets are often affected by German buying, with the probable result that our home buyers pay more.

AGRICULTURE UNLIKE OTHER INDUSTRIES

There is another grave objection to protecting the arable farmer, and every arable farmer will agree with it, too. There is no relief that you can give any farmer, whether it is in the form of rates or of a subsidy—whatever form it is—which will not, under our present landlord and tenant system, pass eventually to the owner of the land. It is not the fault of the owner; it is simply the natural law operating. The man who owns the land will, in the end, get the benefit of anything you give to the tenant farmer, and in some cases against his own will. If he does not ask for more rent, the man looking over the fence and seeing a good farm will offer a bigger price in order to take advantage of the previous tenant's labour. That is happening all over the country to-day. You must keep in mind in dealing with agriculture that there is one great difference between agriculture and any other trade. Land is a monopoly; you cannot create more, though you can make it produce more; and therefore it must be taken separately, from that standpoint, from any other commodity we can talk about.

Another objection to Protection (I am still talking about arable farming) is this: it spreads.

Do you imagine that the people who have suggested Protection for farming will rest content with protecting only farming? They will come back to the things that they think ought to be protected before farming, and you will get a complete Protection for which every protected person will pay in full. The argument that the rest of the community pays is particularly strong in the case of agriculture. In this country you have only about three or four per cent. of the people engaged in agriculture, and the Protectionist is asking the rest of the community to pay for their prosperity. You could apply that argument to any of the depressed trades to-day. If you are going to protect the farmer, why not protect the cotton manufacturer? He is in some cases more depressed than the farmer. As I said at the beginning, all the arguments that you can put about Protection for farming can be made to apply to any other depressed trades in this country at this moment.

With regard to protecting farm-supplied foods. Take my own area. The milk which I produce goes into the saddest districts in this country at the moment; a town within five miles of where I live has half of the population out of work. Are you going to compel those people to have their cost of living increased to benefit me under the present conditions? That is one effect of Protection of the farmer—increasing the cost of the things he has to sell as well as those he buys, thus making the depression worse, and probably causing the trade which is almost at a standstill to cease altogether. The cotton trade would suffer by any form of food protection. Further, those who are familiar with the trade will know that in the cotton industry quite a lot of materials are used which are connected with the grain trade; there are huge quantities of flour for sizing, and a tax on grain would increase the price of flour

and would mean that the cotton trade would be in a worse condition than it is at present.

THE CATTLE FARMER

I now turn to the cattle farmer. What would his position be under Protection? The 7,000,000 cattle and the 16,000,000 sheep and 2,300,000 pigs in this country eat more food than the human population. The first person to pay a tax put on agricultural produce or corn would be the farmer himself who feeds those 7,000,000 cattle, 16,000,000 sheep, and 2,300,000 pigs. The farmers of the country feed to the animal population infinitely more than they grow at home. If they digest that fact they will see the ultimate effect of Protection. Nobody has ever been able to show where the dairy farmer can possibly benefit from a tax on cattle food which comes from all over the world—which comes, indeed, from some countries which are the only countries where the climate is suitable, and none of our own Colonies can grow the particular commodity which we require for certain purposes as cattle food manufacturers. So you are going to go back to the farmer and say: Empire Free Trade will benefit you in this way; we shall restrict to the Colonies the goods you must have if you are to feed your cattle in an up-to-date and scientific manner. It is calculated that the animal population of this country consumes at least 300 million hundredweights of food. The first item on the programme of the Protectionists, so far as farming is concerned, is to tax that and pass it on to the workers who buy the dairy farmers' produce.

Of our imported fertilizers obtained from other countries, we get no less than 97 per cent. from foreign sources and only 3 per cent. from our Colonies. We obtain over two-thirds of our

special cattle foods and the raw materials for certain cattle foods, from foreign countries, and only one-third from our Colonies. When Lord Beaverbrook goes to the farmer and says: "This is the thing for you," he does not tell them that it is going to restrict their supply in order to help the Colonies. If his big scheme is a success he will maintain or increase competition against the British farmer by bringing in colonial produce, and if it is a failure it does not help the farmer at all, and the man most taken in by it is the farmer himself. He cannot possibly benefit under it in any circumstances whatever. It is no help to the home farmer that the competition is to be Imperial instead of Foreign. If the competition comes at all, the home farmer will be as badly off as now; or if it does not come then Empire Free Trade has failed. Lord Beaverbrook cannot have it both ways.

HOW MUCH SHOULD WE PLOUGH

There is another point, turning again to arable for a moment. We shall have to consider, with all respect to the arable farmers, whether we are right in making use of as much of our land through the plough as we now do. Are we quite certain that the application of the plough in our climate to some of our uplands is economically right? We tried it during the War. We were ordered to grow so much corn and wheat, and if there are any cattle farmers here who are farming uplands, they will know what the result was; we did not even get the seed back, and it was a silly and scandalous thing that land unsuited for ploughing should be turned to the plough for the sake of a patriotic gesture. It was an economic waste, and that economic waste would happen in a far greater degree if you attempted to grow in our own country the food supplies we need.

Here let me interpose a word. The Protectionists are fond of quoting, in the figures for declining acreage under the plough, those misleading years when we laid down as quickly as possible, to their proper use, the land temporarily ploughed up and found unsuitable. These should be excluded. The substitution of the motor for the horse is also a factor which is scarcely ever mentioned; and weights should be given as well as areas, as larger yields per acre might be looked for with the advance of modern farming.

The plain fact is that in no circumstances whatever with any scientific resources which you could apply, can this country entirely feed itself; and yet these Protectionists ask us to risk the possibility of not being able to feed ourselves in order to support what they consider will be an advantage to one section of the community.

THE DAIRY FARM

Now take the dairy trade. We import into this country to-day the equivalent of 1,000 million gallons of milk in various forms from countries which, generally speaking, have no natural advantages over us. Let us turn our minds in that direction rather than in the direction of attempting to grow wheat where we may not be able to do it successfully in open competition. We produce in this country about 1,200 million gallons of milk—less than half a pint per head per day. America drinks more than 1 pint per head per day. Let the farmers turn their attention to supplying the quality of milk which the public will have every confidence in, licensed by the proper authorities, if you like, and then teach the public to drink milk in its proper proportion, and you would have very little room left to grow corn in this country. We import one-third of our

butter, one-half of our bacon, and one quarter of our eggs, all largely from countries where the land is worse than ours, and where they have no advantages over us whatever except those which they have created for themselves. I throw out the suggestion to our agricultural friends that it is in those directions we must turn, rather than clamouring for a dole to be applied to the farmer rather than to the employees, which is, after all, what Protection means.

We are all sorry for the farmers—nobody is more sorry for the farmers than the farmers themselves. The very food that the cattle are fed on in some of the countries which I have mentioned from which we get this produce—this bacon, these eggs, and this butter—is imported cattle food, for they cannot grow enough to feed them themselves. At this very moment Liverpool merchants are exporting or re-exporting from England food to feed cattle, and the dairy produce will be sent back into this country, to compete with and even to defeat our own farmers. No farmer in England to-day under the present system is able to say he can make butter-farming pay; yet Denmark sends us all this butter.

We shall have to look in other directions. Why cannot you rely completely on the uniform quality and texture of British butter? Every housewife knows what I mean. When you buy Danish butter it is uniform in quality at any rate; it is properly managed with regard to packing, collection and handling, delivering and sending over here. The British farmer is still partly isolated as far as dealing with his produce is concerned. When you take English butter, say 10 lbs. of it, 5 lbs. here and 5 lbs. there, some of it is good and some of it is of poor flavour; so you turn to the Danish butter because you will not have the other.

THE BEEF FARMER AND IMPORTS

Then with regard to the beef farmer. We still import half the beef we eat. Let me turn aside here to Lord Beaverbrook again for a moment. One-seventh or one-eighth of the beef we import to this country comes from the Colonies. Are you prepared to go on short rations until you can breed cattle in the Colonies quickly enough? It will take three generations at least before the Colonies can produce beef to feed us; and in the meantime, are you prepared to tax the food brought in to feed the cattle at home, which would make our home beef dearer; for remember that one-third of all imported wheat is used as "wheat-offals" for cattle, and only two-thirds as flour. One of the certainties is that the protection of foreign beef as of other commodities implies Protection of home-beef in regard to the price—that is what it is for.

The beef farmer, therefore, more than almost anyone else, depends upon cheaper cattle food if he is to retain the share of the market that he has now; and you would cut him out altogether if you attempted to put on any cattle-food tax, unless beef prices advanced at home. The same thing applies to fertilizers which are also raw materials of the beef farmer. It also applies to human food for the workers themselves.

Are there any remedies? One could spend a long time in showing how Protection would be disastrous to farmers, especially to the cattle farmers, but we should be prepared to offer some alternative to Protection.

THE MARKETING PROBLEM

With regard to better marketing. If it is our place as Free Traders to point out remedies at

all, it is not just a "parrot cry" to talk about better marketing. Let me give you an illustration. Near where I live, and in other places too, within the last week or two, some of the farmers have arranged for their summer milk at a price which leaves the distributor nearly twice as much per gallon as the farmer gets for producing the milk. I do not say that is the regular margin, but the difference is always too great. It has been estimated that £300,000,000 a year is dispersed between the producer of agricultural commodities of all kinds, from all sources, and the consumer in this country. No one denies that the middleman has a right to exist, he fills a useful place; no one denies that he ought to have a living wage and a fair profit; but when you have the spectacle of a great distributing corporation supplying millions of people with dairy farm produce and paying a handsome dividend every year while farmers are almost starving, then something wants altering. I suggest, therefore, that our Protectionist friends, and Lord Beaverbrook in particular, might turn their attention to that aspect instead of troubling so much about the far corners of the earth where there is no disposition to accept his programme.

If our farmers will turn their minds to those problems, if they will produce the best article, if they will apply proper scientific methods of farming, not just here and there but right through the country, guided by the best experts in the country, the position will soon be different. It would pay every government to see that farming is carried on with a proper skill and under proper conditions. Apply scientific knowledge. In my own small way, if I have a field which requires treatment I call in my chemist. I say to him: "What is that soil short of?" he tells me, and I apply it; and I am keeping three times as many cattle on the land as were ever kept on it before.

Now, as to transport We cannot afford to have 50 or 100 milk carts in a morning going into an industrial town to deliver pints of milk. Here is room for real "Rationalisation". You cannot afford to have the farmer or his wife coming in with a few pounds of butter or a dozen eggs at the end of the week. These things should be handled scientifically, and it is to these things that farming must look for its own salvation. I remember as a small boy being taken by my father to hear one of the greatest Statesmen who ever lived, Mr. Gladstone. Mr. Gladstone finished a wonderful speech to farmers—not a political speech at all, any more than this is—with these words: "And now, my friends, you remember this in all your operations, 'Heaven helps those who help themselves'." If the consumption of milk is lifted to the American level and is all produced at home—and there is no reason why it should not be—along with other milk products, there will be no land left for wheat. For instance, we complain that we cannot make pigs pay. Let us ask where and how the pigs which are imported are fed. We shall find that they are food-importing countries. So protecting wheat and food for animals wants a lot of consideration. Then there is the production of our own eggs and beef; we cannot produce all we need, but we should choose the most profitable course and that which nature has assisted us most to follow. If we keep cool heads, with courage, and skill, and co-operation, increased prosperity will yet enable the best farmers in the world, farming in the best country in the world, on the best land in the world, to emerge from their present difficulties without putting on to the people as a whole burdens which they cannot bear.

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